

June 30, 2005

Mr. Fred Kindle  
Chief Executive Officer  
ABB Ltd.  
Affolternstrasse 44  
Zurich, CH-8050

Dear Mr. Kindle:

We are writing to you in an effort to obtain information necessary for the fulfillment of our respective fiduciary responsibilities. We are a group of institutional shareowners that collectively own 15,372,761 shares of your company. ABB has been identified by various sources as doing business in Sudan. In recent months, it has been suggested that companies that do business in Sudan may thereby be furthering or condoning the nation's support for terrorism or the egregious human rights violations currently occurring in that country. We are deeply concerned that any possible connection between your company and the terrorist activities or the violation of humanitarian rights taking place in Sudan may negatively affect your business and our investment in ABB. We believe that any association with the atrocities taking place in Sudan by ABB poses a serious risk to your ability to create sustainable and responsible long-term value.

In several states, legislation has been introduced or is being publicly discussed that will have an impact upon investments in companies doing business in or with Sudan. In California, a pending legislative resolution would have the California Public Employees' Retirement System and the California State Teachers' Retirement System encourage companies in which they invest in to act responsibly and not take actions that promote or otherwise enable human rights violations in the Sudan. Very recently, the Illinois State Legislature was the first to pass legislation prohibiting investments in "forbidden entities" doing business in or with the government of Sudan. It is anticipated that other states may follow Illinois' example and pass Sudan divestment legislation.

In addition, Sudan is not only designated as a terrorist sponsoring country by the United States government, but is also embroiled in domestic conflicts in which the United Nations Commission of Inquiry on Darfur established that the Sudanese government and militias are responsible for serious violations of international human rights and humanitarian law amounting to crimes under international law. As shareowners, we are troubled that our investments may be injured by the perception that companies that do business in Sudan may be furthering or condoning the egregious human rights violations currently occurring there.

Since your company has been identified as doing business in Sudan, we feel compelled to seek the information directly from you. Therefore, we are requesting full disclosure of your direct or indirect business activities in Sudan so that we, as fiduciaries, can accurately assess the risk associated with your activities there and make informed investment decisions.

We request that you answer the following questions:

- (1) Does ABB, a subsidiary of ABB, or joint venture thereof ("Affiliated Business Entity") engage in any direct or indirect business activity in Sudan? If yes, identify the name and nature of such business and how long has such business been taking place?

- (2) What portion of ABB's or any Affiliated Business Entity's current revenue stream is from any direct or indirect business activity in Sudan, and what portion of the company's or Affiliated Business Entity's total assets were used to earn said revenue?
- (3) Has ABB or any Affiliated Business Entity made a capital investment in Sudan?
- (4) Has any ABB or Affiliated Business Entity entered into any licensing agreement with the Sudan government in order to engage in current or future business activities?
- (5) Is ABB or Affiliated Business Entity doing any business with a corporation that is owned by the Sudan government?
- (6) How many ABB or Affiliated Business Entity employees are in Sudan?
- (7) What fees and/or taxes do ABB and/or any Affiliated Business Entity pay to the Sudan government and what are the fees and/or taxes for?
- (8) Has your company adopted and implemented policies and procedures for operating in Sudan?
- (9) Has ABB or any Affiliated Business Entity done anything to promote and/or protect human rights from the atrocities taking place in Sudan?

We are requesting a written response to our requests by August 12, 2005. Please send the written response to:

Julie Gresham  
Assistant Comptroller  
Pension Investment and Cash Management  
Office of the New York State Comptroller  
633 Third Avenue, 31<sup>st</sup> Floor  
New York, New York, 10017

Please contact Julie Gresham at (212) 681-4480 if you have any questions.

Sincerely,

William R. Atwood, Executive Director  
Illinois State Board of Investment

Jack Ehnes, Chief Executive Officer  
California State Teachers' Retirement System

Alan G. Hevesi  
New York State Comptroller

Denise L. Nappier, Treasurer  
State of Connecticut

Christianna Wood, Senior Investment Officer  
California Public Employees' Retirement System

CC: ABB Executive Committee  
ABB Board of Directors